

## EXTENSIONS OF REMARKS

### CAPITAL GAINS TAX SIMPLIFICATION ACT OF 1999

**HON. WILLIAM J. COYNE**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 14, 1999*

Mr. COYNE. Mr. Speaker, today I am reintroducing the "Capital Gains Tax Simplification Act." As with similar legislation I introduced last year, this bill would simplify the computation of capital gains taxes for all individual taxpayers and provide modest capital gains tax reductions for millions of Americans.

As recent articles in *The Wall Street Journal* and *Money* magazine have observed, the 1040 Form's Schedule D has become very burdensome for ordinary taxpayers as they attempt to comply with the current capital gains tax law. Filling out Schedule D is disproportionately burdensome for low- and moderate-income taxpayers whose only capital gains come from investments in mutual funds and real estate investment trusts. It has been estimated that nearly half of all U.S. households now own mutual funds.

The IRS estimates that a typical taxpayer with a capital gain will spend 6 hours and 41 minutes filling out his or her 54-line Schedule D form. That is over 3 hours more than in 1994. In addition to the amount of time involved, the chances of making an error in filling out this form have increased with its increased complexity. Elimination of the 18-month holding period last year did little or nothing to eliminate the complexity of Schedule D. If nothing is done to change the tax code, the complexity of Schedule D will get even worse in 2001 and again in 2006, when additional capital gains tax rate categories will take effect; these future changes in Schedule D will make the 1998 version look simple in comparison. Finally, increasingly large numbers of taxpayers will have to fill out Schedule D twice—once for the regular tax and once for the minimum tax.

The Internal Revenue Service's new national Taxpayer Advocate, Val Oveson, agrees that capital gains simplification is needed. In his January report to Congress, he cited the capital gains reporting requirements in Schedule D as an example of unnecessary complexity faced by taxpayers with capital gains income from mutual funds.

Under the legislation that I am introducing today, the current complicated system of different capital gains tax rates would be replaced with a simple 38 percent exclusion. The bill would also change the taxation of collectibles so that any gain or loss from the sale or exchange of a collectible would be treated as a short-term capital gain or loss. Consistent with the treatment of capital gains under current law, the tax rates that apply to capital gains income for regular tax purposes would also apply for alternative minimum tax purposes.

Under my bill, low- and moderate-income taxpayers who invest through mutual funds and real estate investment trusts would no longer have to fill out even a simplified capital gain schedule. Rather than filling in 35 separate lines of information and making a number of confusing, error-prone calculations—as required under current law—they would simply total up their capital gains distributions, figure out what 62 percent of that total would be, and then write that amount on the appropriate line of their tax return form.

This bill would simplify income tax preparation for millions of Americans, and I believe that it would do so at no cost to the U.S. Treasury. While the Joint Committee on Taxation (JCT) has not yet determined the revenue impact of the bill I am introducing today, JCT estimated last year that nearly identical legislation would actually have raised revenue over a ten-year period.

Congress should act this year to make the tax code less complex—and less burdensome—for the American taxpayer. The Capital Gains Tax Simplification Act would go a long way toward achieving that goal.

Several of my colleagues on the Ways and Means Committee—including Representatives RANGEL, MATSUI, McDERMOTT, LEWIS, and NEAL—have joined me in introducing this legislation. I urge all of my House colleagues to join us in cosponsoring this important tax simplification bill.

### A TRIBUTE TO DEAN PRESTON

**HON. SCOTT McINNIS**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 14, 1999*

Mr. McINNIS. Mr. Speaker, I would like to take a moment to recognize the career of one of Colorado's esteemed reporters, Dean Preston (the recently retired agricultural reporter for *The Pueblo Chieftain*). In doing so, I would like to honor this man who, for many years, combined hard work and knowledge with his own special personal touch. An individual with so much integrity and compassion will be truly missed and difficult to replace.

Beginning his career with *The Pueblo Chieftain* over 28 years ago, Dean Preston learned and experienced various positions before deciding on a career as an agricultural reporter. What began as a "gamble" by the city editor, led Preston to an area of reporting very suitable to him. Growing up on a dry land farm in the Texas Panhandle, Preston had gained an understanding of this type of agriculture. Preston's knowledge of Colorado agriculture was second to none, however, I think all would agree that it was his dedication to the people that made him so unique. He was known to make personal visits to check on crops, regardless of the time and miles it required to get there.

During the time Dean Preston spent reporting and editing for *The Pueblo Chieftain*, he received several awards, one of which was "Agriculture Champion" given by the Colorado Cattlemen's Association. Additionally, Preston has recently received honors from the Pueblo County Farm Bureau.

After 28½ years of service to *The Pueblo Chieftain*, City of Pueblo, and the surrounding areas, Dean Preston begins down a new avenue in life. Few have displayed the dedication and genuine interest that Dean Preston is being honored for, thus I wish him well in his well-deserved retirement.

### IN HONOR OF THE SCHOOL OF THE FUTURE AND THE CENTER FOR ETHICS AND TECHNOLOGY

**HON. CAROLYN B. MALONEY**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 14, 1999*

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay a special tribute to The School of the Future as it celebrates the opening of the new Center for Ethics and Technology.

This innovative educational facility, located in the heart of my district, is aptly named: it does a remarkable job in preparing our city's children for the future. An astounding 98 percent of the School's graduates were accepted to colleges and major universities in 1998.

The School places an emphasis on providing students with a strong liberal arts education. It aims to produce students who are not only culturally literate, but who have well-developed analytical skills. Students are trained to examine evidence, explore alternate points of view, consider significance, understand point of view and seek connections in all of their learnings.

The new Center for Ethics and Technology strives to create a sense of balance and responsibility in our increasingly technological society. Through the use of computer technology, the Center will allow participants to expand their inter-generational dialogue toward an intercultural, international exchange.

Last month, the Center invited senior citizens, computer scientists, inner city freshman and their parents to join the Anti-Defamation League at a forum to explore how our sense of community has evolved in today's high-tech world.

This Center would not have been possible if not for the dedicated volunteer work of the Center's director, Adam Kinory; the school's teachers and principal, Kathy Rehfield-Pelles; its parent body, and volunteers from The Sol Goldman 14th Street Y of The Educational Alliance, New York Cares, and Pencil.

At a time when our public school enrollments are at record levels and those numbers

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